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GAS SPECULATIVE DEVELOPMENT AGREEMENT

This agreement made and entered into on the day and date hereinafter set forth by and between the HARRIMAN UTILITY BOARD, an arm of the City of Harriman, Tennessee, party of the first part, hereinafter referred to as "Utility", and SWAN HARBOUR L.P. of Roane County, Tennessee, party of the second part, hereinafter referred to as "Subscriber".

WHEREAS, "Subscriber" has made application to "Utility" for natural gas service for White Swan Harbour Subdivision off Swan Pond Circle, in Roane County, Tennessee, which is within the area served by "Utility", and

WHEREAS, "Utility" is agreeable to furnish such service according to the terms and conditions herein set forth.

NOW, THEREFORE, THIS AGREEMENT

WITNESSETH:

The terms and conditions of this agreement are as follows and are here agreed to by the parties hereto and made a part of this contract:

1. The "Subscriber" will pay to "Utility" the Sum of \$4,260, which is the total estimated cost of construction of gas facilities for the main distribution lines. (Note: The above figure does not include cost of services to individual subscribers.) This estimated cost is based on material, labor and equipment calculated on rates in existence as of the estimate date. It is understood and agreed that the actual cost, at the time of construction, may vary from the estimate, in which case "Subscriber" will be billed, and agrees to pay, for cost overruns or "Utility" will refund any estimate payment above actual cost.

2. It is understood and agreed that no interest will be paid by "Utility" to "Subscriber" on any deposits made under this agreement.

3. Since there is no way of guaranteeing to "Utility" a return on its investment within a reasonable period, the aforementioned construction estimate will be required as a deposit in aid of construction, before work by "Utility" is commenced.

4. For purposes of rebates to the "Subscriber", the rebate period will begin on the date the "Utility" places the first meter to provide gas service within the development (at the request of "Subscriber" or any landowner or their contractor) and will run for a term of five (5) years, during which time "Subscriber" may obtain a whole or partial refund based on the following criteria:

a. When house (or houses) is (are) sold and/or occupied, "Subscriber" will be required to submit proof thereof.

b. "Subscriber" will present adequate verification of house size.

c. "Subscriber" will present adequate information showing that the house will use natural gas as its primary heat source or, conversely, if it will utilize some other fuel source for heating (such as electricity, L.P. gas, fuel oil, wood, etc.)

5. The amount of refund will be determined by "Utility" based on expected revenue from that house (or those houses) during the remainder of the five (5) year contract period.

6. "Subscriber" may terminate this contract at any time before construction is actually commenced by notifying "Utility" in writing of its intent so to do. Upon such termination, "Subscriber's" deposit will be refunded less any amount already expended or obligated by "Utility".

Executed in duplicate originals on this ____ day of _____, 1998.

HARRIMAN UTILITY BOARD

BY: _____

Charles B. Flora
Assistant Manager

PARTY OF THE FIRST PART

BY: _____

Dr. Julian Ahler

FOR: SWAN HARBOUR L.P.

PARTY OF THE SECOND PART

Rebate period begins on _____.

<p style="text-align: center;">REBATE SCHEDULE FOR SPECULATIVE DEVELOPMENT CONTRACTS FOR GAS LINE</p>
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BASED ON 51 MCF AVERAGE ANNUAL USAGE FOR RESIDENTIAL GAS CUSTOMERS
(THIS WAS THE AVERAGE FOR THE FISCAL YEAR 1998-1999)

YEARS LEFT TO END OF CONTRACT (ROUNDED UP TO NEAREST WHOLE YR.)	REBATE AMOUNT
5	\$575.00
4	\$460.00
3	\$345.00
2	\$230.00
1	\$115.00

For homes heated by fuel source other than natural gas, rebates will be calculated according to specific estimated gas loads for such items as cooking, gas logs, clothes dryers, water heaters, etc., but will be significantly less than the amounts shown above.